

REFORM BY RUSSIAN ROULETTE

By Michael DeGolyer
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Failure divides Hong Kong. The 2005 failure of a constitutional reform bill to pass the Legislative Council (Legco) was just one of a series of disasters, mistakes and bungled opportunities that together have produced a community seemingly unable to cope with its problems. High hopes that the city would prosper as a leading part of China, symbolized by the 1998 opening of a sleek new airport at Chek Lap Kok by the presidents of China and America, have been truly dashed. Hong Kong is no longer the can-do, self-confident “little tiger” of old. Belief in the “Hong Kong way” of doing things with quick efficiency has instead become a matter of waiting: for better times, for the next chief executive, for a more reasonable Legco or for a decision by Beijing officials. Expressions of frustration and helplessness prevail.

On the one hand, government’s best plan of action on constitutional reform—leading to the long-promised goal of local democracy and universal suffrage—is to postpone it on any excuse and say little or nothing in the meantime. On the other, the pan-democrats’ best plan is to quit, not once but twice. It has become reform by Russian roulette.ⁱ

In earlier years, people blamed former Chief Executive Tung Chee-hwa’s unfamiliarity with the civil service as the source of Hong Kong’s troubles. But even after he was succeeded in 2005 by Donald Tsang, a 40-year veteran civil servant who understands government from top to bottom, governance has not improved much. Normally satisfaction with government recovers after an election. Not this time. Disappointment is widespread, with over half the public still unhappy about Mr. Tsang’s performance a full year after the elections of September 2008, the most recent voting.ⁱⁱ

A sense that the system needs significant repair is growing, even among the staunchest defenders of “one country, two systems,” the term applied to how China exercises sovereignty over Hong Kong. For example, Leung Cheung Ying, Convener of the Executive Council (in effect, the appointed cabinet’s presiding officer), is a well known supporter of Beijing and a strong candidate to become chief executive in 2012. Yet he has said reform is urgently needed because important decisions are not being made. Development plans meet strong resistance, and delays stretch well past a decade, he notes. The mainland is palpably racing ahead while Hong Kong visibly recedes in profile.

Leung is far from alone in decrying government's lack of ability to push things to decision and assert leadership. But despite a widespread conviction that reform is needed, prospects do not look bright. What is to blame?

Failures and unfairness undermine confidence

The sense of paralysis stems from a crisis of confidence in both economics and politics. The economy, long deemed the world's freest and hailed by economists as an admirable example of robust flexibility, fell with the rest of Asia's economies after the 1998 currency collapse. But Hong Kong's fell furthest and recovered slowest, and suffered 60 consecutive months of deflation. Families walked away from homes they could no longer afford as jobs disappeared. Even by 2009, salaries for many have yet to recover. Some of those who did see gains in 2004 to 2007, the first in a decade, have lost income again in the aftermath of the 2008 global economic tsunami. While luxury home prices did reach new highs by mid-2008, those of more typical flats never recovered in real terms. The rich eventually got richer, at least for a time, but the poor barely got their rice bowls refilled before they were emptied again.

While Hong Kong-based businesses have fared poorly, Hong Kong-based workers have done worse. The sense of unfairness in policy-making and in sharing the burdens of economic distress has become the prevailing view. More than three times as many professionals rate their chances as better on the mainland or abroad than in Hong Kong. The old sense of opportunity peeking 'round every corner in Hong Kong; the belief that an immigrant like Li Kashing could come here with just 10 dollars in his pocket and become one of the wealthiest men in the world, is gone.

Today public discussion does not focus on better education and the bright future beckoning for young and old alike. Instead, it is of drug testing the youth in schools, trimming local student intakes at the universities, cutting back on healthcare for the poor and extending the retirement age. By comparison, the mainland has become the land of opportunity, and satisfaction with the performance of its government ranks far higher than for the local administration of Hong Kong.

Failure compounded by dashed hopes

Economic distress has been compounded by a heightening sense that the political system is fundamentally unsound. That belief was a long time coming. In 2003, just as the territory began to recover from that unbroken period of deflation, SARS turned Hong Kong into a temporary ghost town. On July 1 of that year, a tenth of the adult population marched in protest, convinced that

then-Chief Executive Tung had to go. His subsequent resignation in March 2005, ostensibly for health reasons, and Tsang's assumption of office, sparked renewed hope that Hong Kong could once again find its way. If there was a magic Hong Kong way of doing things, Donald Tsang surely knew it. But the subsequent failure of political reform in December 2005 and government's missteps during the global downturn of the past two years have dashed such hopes.

Belief that government was committed to a level playing field, fundamental to both fairness and opportunity, was hit hard by a 2008 controversy involving former senior official Leung Chin-man. Leung, who had made decisions favoring real estate developers during his time in the civil service, retired and—with ministerial approval—took a well-paid post with one of the very developers his decisions had benefited. The case was “investigated” officially and pronounced properly done according to relevant rules about conflict of interest. Though the government also promised to change these rules, and Leung surrendered his new post, it has not explained why those regulations were approved in the first place. Officials also stymied Legco's attempts to investigate, making it a watchdog without teeth.

All the perceived bad behavior of Chief Executive Tung—indecisiveness, cronyism, unwillingness to call ministers to account and retreat from public view—has returned under a man who promised and was expected to act in great contrast to his predecessor. Now demands that Tsang also resign have begun to build, just as they began years ago after Tung was elected to the second term that he couldn't finish. Tsang's retreat into silence and the reluctance of senior officials to assume real leadership have shaken faith in government, which appears wracked by internal conflict. Currently, ministers are struggling with civil servants over pay (disciplinary service officers), management (public health service providers) and pay review mechanisms (all civil servants), leaving them little time to lead.

However, belief that merely changing leaders could solve all problems of governance has been abandoned. At the same time, satisfaction with the performance of government's chief critics—the political parties—has also collapsed. Polls before the September 2008 elections showed that most people thought the parties could help resolve their problems of greatest personal concern. Yet the polls of summer 2009 show barely one in four now think so, and satisfaction with the performance of nearly all parties is at record lows. This growing and simultaneous dissatisfaction with all the structures of governance is unprecedented.

Even so, opinion polls show that despite being reminded of the worst economic situation for years, one which led the government to postpone reforms and the kind that usually makes many people reluctant to change, a full 70% of the public still wants direct election of the chief executive and all members of Legco as a means of improving governance. But this strongly supported reform is the one that Beijing officials and local conservatives appear most determined to resist, despite repeated reassurances that universal suffrage remains the “ultimate” goal.

Distrust between government and opposition is echoed by a similar breakdown of cohesion between upper and lower socio-economic groups. A new party formed in 2008, the League of Social Democrats, often practices radical disobedience of rules and protocols both inside and outside the legislature, rather than normal parliamentary politics. Its three elected Legco members routinely strive to get themselves ejected from the chamber for symbolic reasons. They no longer simply lead demonstrations and wear provocative T-shirts—sometimes inside Legco itself— but have even resorted to throwing objects near the chief executive (though so far not at him). Yet more people now see this radical blue collar-oriented party as representing their own interests much better than does the beleaguered Liberal Party, the champion of business that used to be Legco’s second largest.

This legacy of failure has made constitutional reform more urgent. But it also has radicalized some people into demanding sweeping change while making others determined to resist nearly all reform at all costs. There is now sharper division between such radicals as the new League of Social Democrats and holdover conservatives into those who support some reform and those who won’t have it. Constant demand for action or commitments to prove good faith, plus constant refusal to respond to or even acknowledge such demands, has created an ocean of distrust and deep disdain between the pro-democracy and pro-government sides. As a result, much of the public has become convinced that government and business are colluding against the broader civic interest. Unless there is some breakthrough—a new way forward acceptable to all sides or intervention by Beijing to force a compromise that excludes both the most reactionary and the most radical—there will be no progress.

Deadlines and confrontation

Originally, 2007 was fixed in the Basic Law, the Chinese legislation that serves as Hong Kong’s de facto constitution, as the year that democratic selection of the chief executive and all Legco members could take place. But the year came and went with little sign of direct elections in view, leaving one in four Hong Kongers feeling betrayed, according to the polls. This led to new demands for

meeting that goal in the 2012 elections, but Beijing responded with new stipulations that the chief executive could not be directly elected before 2017, nor Legco before 2020. Democrats took these dates as firm commitments and demanded that both local and national governments confirm them. No such confirmation has been forthcoming. This response also told Hong Kong to revise the existing electoral system so the 2012 voting could serve as a way stop to future universal suffrage; otherwise, the timetable would suffer. Some leading businessmen, always suspicious of a process that might bring a populist and high-tax government, openly mutter that these dates are merely targets, not fixed goals. Thus the timetable has increased, not allayed, distrust and neither side really accepts it as fixed. In addition, some pro-Beijing advisors argue that universal suffrage elections do not require that the one person, one vote principle be applied equally across the board. They assert that the voting in functional constituencies, in which special interest groups choose half the legislators, can qualify as “universal suffrage” elections, even though they would bear little resemblance to those described in United Nations conventions. (The voter total for these 30 seats is roughly 200,000, compared to a potential electorate of some four million for the other half.) This has provoked the democratic parties to challenge Beijing officials directly, who then respond with threats that any confrontation will delay reform past 2020.

That division reflects a structural weakness which brings unhappiness on all sides. The chief executive is elected by an 800-person committee, two thirds of whom are elected by the tiny franchises of the functional constituencies, with one third being ex officio or effectively selected by Beijing. The chief executive then appoints all senior officials. There is no public mandate, and the government alone can initiate programs that require public funds. By contrast, half the 60 legislators are chosen by proportional popular vote in five geographical constituencies (19 are pan-democrats compared to only four of the 30 representing functional interest groups). Though partially direct election gives Legco a degree of public mandate, it cannot originate programs that cost money and which the administration opposes. Its main powers are negative; it can criticize, sometimes block legislation or in general harass officials. This leads all too often to a quarrelsome impasse of rancor without results, and great public disdain for the whole process, making Hong Kong’s an increasingly creaky and cranky system unable to provide officials with a broadly accepted mandate to lead, especially on controversial issues.

The Civic Party, a leading democratic party, has made revising all this the goal of its own reform strategy. It declared last month that “if the Central Government declares and commits itself to the implementation of genuine universal suffrage principles in 2017 and 2020, and a roadmap to reach this goal is put forward by Chief Executive Donald Tsang in his upcoming political

reform consultation, the Civic Party is prepared to discuss all reasonable models for 2012 elections as a transitional arrangement. If no roadmap is provided, then the Civic Party will set in train a ‘3-Stage Fight Plan for Universal Suffrage’.”

Under this plan, it first outlined its own proposals for implementing universal suffrage elections and offered to negotiate details. If no roadmap is agreed, one pro-democrat from each of Legco’s five geographic constituencies will resign to provoke by-elections. These by-elections are intended to serve as referenda on Chief Executive Tsang’s more limited reform plans. After the by-elections—which the party assumes would demonstrate public support for their proposal—the pan-democrats propose giving Tsang 12 months to develop his own comprehensive plan for universal suffrage, including the abolition of functional constituencies. If that tactic failed, all pan-democratic legislators would resign and demand that Tsang also resign for failing to meet his campaign pledges about political reform.

Out of crisis, opportunity?

The Basic Law stipulates that two-thirds of the Legco members must approve constitutional amendments—one of its few real powers—but does not require that votes be held only when all 60 seats are filled. Legislative voting is not suspended if a member resigns, for example, and only a quorum (a majority of all members) is required to do business. There is no indication just what the pan-democrats would do if Tsang did not quit but instead held a vote on his reforms when Legco consisted only of, say, 55 members because some had resigned their seats. He would then need only 37 votes, not 40, to have the required two-thirds majority and he already has that number.

If he took such a move, the reaction surely would be furious. Yet if the resulting system actually began redressing some faults of governance and brought into office a new, vigorous and effective chief executive in 2012 (Tsang cannot run again), the democrats might have a hard time blaming him for indecisiveness or failure to govern. Indeed, they themselves could be blamed for delaying progress by demanding a complete and perfect plan rather settling for a partial but effective one.ⁱⁱⁱ

People may not want to bring back the “good old days” of British rule, but they do miss the old ways of more efficient government and decisive leadership. If Tsang delivers that for future years, despite the pan-democrats, things could go ill for them. On the other hand, if pan-democrats could force Tsang and Beijing to do things their way, they would appear as effective and decisive as voters say they want. This is a battle for leadership, and a struggle for a mandate. Hong Kong needs leaders who gain office with a mandate, exactly what the democrats

claim direct elections would deliver. Forcing a showdown may not be the best or easiest way to get it. But by resignation or reform, 2012 promises to become a referendum on how and whether the old Hong Kong way of efficient, decisive government can be restored.

Michael E. DeGolyer is Professor of Government & International Studies at Hong Kong Baptist University and Director of the Hong Kong Transition Project, a study of Hong Kong's transition from British colonialism into the Hong Kong Special Administrative Region of the People's Republic of China.

ⁱ "Pan-democrats threaten to quit over suffrage," South China Morning Post (7 Sept 2009).

ⁱⁱ All references to public opinion based on polls conducted by the Hong Kong Transition Project, posted at <http://www.hktp.org>.

ⁱⁱⁱ See Steve Vines, "Reckless Steps," South China Morning Post (11 Sept 2009). Vines calls the pan-democrats plans "a classic case of frustration leading to reckless action, with a lack of attention being paid to the consequences."